

Board of Real Estate

SUMMER 2004

Chairperson's Corner

Hot Market Increases Board Complaints

Over the last five years the DC Board of Real Estate has seen an increase in the number of active licensees grow in almost geometric proportions. In 1999 there were 4,581 licensees in all three categories--brokers, salespersons and property managers. By 2002 there were 6,562. As of August 2004, the number stands at: 9,106. An increase of over 4,525 licensees in a very short period of time.

No doubt, the increase in the number of licensed real estate professionals is due to the sustained strength of our housing market. More individuals now see real estate as an excellent way to make a living. That is wonderful. There is, however, a downside to our licensee "boom": 1) an increase in complaints against licensees by both members of the public and fellow licensees; and 2) a marked increase in unlicensed activities.

Complaints. Complaints fall in many categories and run the gamut--from issues that must be dealt with by a court of law to the more serious charges that the board must investigate. Some complaints can lead to loss or suspension of a license and may result in severe fines. Many are just "sour grapes" or general unhappiness with a licensee after a particularly difficult transaction. Those complaints are quickly dismissed by the board.

Nevertheless, licensees do not want complaints filed against them--it's embarrassing, counterproductive, expensive, and time-consuming. The following examples give insight into areas where the board has seen a large increase in complaints, *as well as some suggested remedies:*

Multiple Offers. Make sure that members of the public and your fellow licensees understand how you will deal with multiple offers. Most firms have endeavored to establish clear policies dealing with multiple offers and for that we commend them. Unfortunately, there are those that have not. At a minimum licensees should set a specific time and date for presentation; determine who will be in attendance at the contract presentation; set a reasonable time for the seller to deliberate over the offers and, very importantly, establish how you will deal with your own offers or those from your firm or office.

Many of the board's complaints deal with the "perceptions" of unfairness by the consumer or the licensee. Some perceive that the listing agent's contract "won"; or that an agent from the same company was allowed to present an offer when an agent from another company was not; or the seller's "delay" in responding to offers for several days was an attempt to "shop the contract". When you combine a complaint about what simply is

"procedure" with an allegation of discrimination, it becomes a potent mixture for a first-class legal nightmare.

Presentation Misrepresentation.

Another area where the board has seen complaints is, for lack of a better term, "changing the game plan". This primarily occurs when an agent sets a date for contract offers in the MRIS printout. Or, the listing agent informs prospective purchasers/licensees of the timeframe for contract presentation at an Open House. A licensee/buyer calls to confirm the time and date and finds that the property is UNDER CONTRACT!

Complaints in this area come from all parties: the buyer who feels "abused"; other licensees who feel that their offer was not given consideration and sellers who realize later that competition may have produced a better offer. Again, make sure you have thought through the consequences of your actions -- "perceptions" of unfairness can lead to serious charges. Simply stating, "that's what my seller wanted to do," can put both you and your seller in hot water.

Property Disclosure Fraud. This overheated market has created increased complaints about how licensees misrepresent properties and how sellers inadequately or fraudulently complete property seller disclosures forms. Sellers sued by unhappy buyers usually turn to

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The Commentator

GOVERNMENT OF THE DISTRICT OF COLUMBIA

ANTHONY WILLIAMS, MAYOR

DEPARTMENT OF CONSUMER AND REGULATORY AFFAIRS

DAVID CLARK, DIRECTOR

BOARD OF REAL ESTATE

CONSTANCE W. MAFFIN, GRI, CHAIRPERSON



Chairperson's Corner *continued from page 1*

someone else to blame: their real estate agent. Make sure your seller realizes the importance of adequate disclosure. In this wildly competitive market, where home inspections are routinely waived, the seller disclosure statement takes on a larger-than-life role.

Allegations of misrepresentation have always plagued our industry and have been the subject of litigation and complaints since we started licensing real estate professionals almost a century ago. A hot market with many new, less experienced players is often a bad combination. All licensees should make sure they are competent to offer advice in zoning, historic preservation, construction, tenant rights, etc — or know the professional your buyer or seller should contact – to avoid defending yourself before the Board of Real Estate or a court of law. Remember: lack of knowledge as a real estate licensee is not an excuse, much less an adequate defense.

Unlicensed Real Estate Activities. A fabulous real estate market has seen an increase in unlicensed activity. These activities range from truly predatory acts harmful to the public to acts of “omission” by formerly licensed individuals. The Board of Real Estate has successfully sought an increase in fines. Fraudulently establishing a real estate business without a license is subject to criminal prosecution and fines up to \$10,000 per violation. In addition, the Board of Real Estate has seen a significant increase in “lapsed” licensees. These are individuals who, for a variety of reasons, fail to renew their license **AND** continue to practice real estate.

In recent cases, the Board of Real Estate levied fines against licensees, the principal broker, and brokerage firms for \$7500. In addition to the fines, the offending licensee cannot practice real estate in the District until fines are fully paid and consent orders signed--a process that takes four to six months.

Remember, 2005 is a renewal year for all categories of licensees. If you have concerns about an individual's license

status you can call Promissor at (888) 204-6192 or check online. Visit https://www.asisvcs.com/services/licensing/DCOPLA/search_page.asp?CPAT=0909STATEREG

Updates. While it seems like ages ago, the DC Board of Real Estate and the DC Office of Historic Preservation held a full day workshop on historic preservation issues on March 10, 2004 that had over 400 attendees. The board underwrote 200 conference attendees for real estate licensees on a first-come, first serve-basis. To say it was well-received would be an understatement: the speakers, breakout sessions, tours and lunch were wonderful and I thank everyone for their participation and assistance. The board is currently working with the Historic Preservation Office to offer a half-day seminar for three elective credits in the Winter of 2005.

Revised Real Estate Regulations. In our last newsletter we reported how the board had worked on revising the real estate regulations. The new regulations were published in the *DC Register* on July 16, 2004, and will become law after a 30-day comment and review period. A copy of the new regulations will be made available to all licensees.

Seller Disclosure Form. A revised seller disclosure form should be ready for distribution by Fall 2004. Revisions were made based on comments from the Historic Preservation Office. Changes deal with facade easements, citations for illegal work, and historic districts.

Agency Disclosure. Finally, the board is working with the Greater Capital Area Association of Realtors (GCAAR) on revising and creating new agency disclosure forms. The present form dates from 1996 and is quite inadequate given the evolution of agency practice over the last decade.

As always, I wish to thank my fellow board members for their active participation, and our terrific staff without whose support and hard work progress would not be possible.

--Constance W. Maffin, Chairperson

WASHINGTON, D.C.

*Board of Real Estate**Board of Directors***Constance W. Maffin, GRI**

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(stephanie.johnston@dc.gov)**Sinclair Long, Esq.**, Board Attorney
(sinclair.long@dc.gov)**Patricia Hill**, Investigator
(patricia.hill@dc.gov)**Wilfred Usher**, Investigator
(wilfred.usher@dc.gov)**Jason Leifer**, Contract Attorney
(jason.leifer@dc.gov)

The District of Columbia Board of Real Estate regulates the licensure of real estate brokers, property managers, and salespersons. The board is located at 941 North Capitol Street, NE, 7th Floor, Washington, DC 20002; (202) 442-4340 - phone; (202) 442-4528 - fax. This newsletter and licensee training are funded through payments licensees make to the DC Real Estate Guaranty and Education Fund.

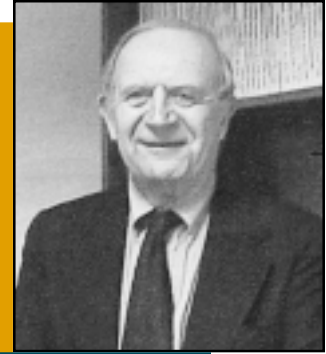
Who's Who Among DC Board Members



*Helen Dodson, GRI, CRS
Vice Chairperson
Broker Member*



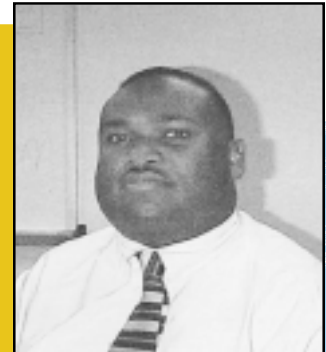
*Constance W. Maffin, GRI
Chairperson
Broker Member*



*Nelson Deckelbaum, Esq.
Board Member
Attorney Member*



*Edward D. Collier
Board Member
Property Manager Member*



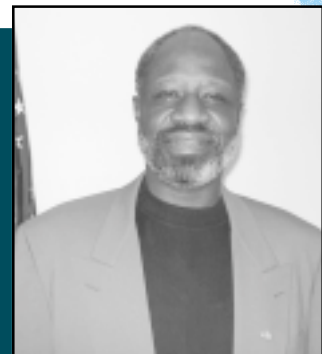
*Bradley Lewis
Board Member
Consumer Member*



*Jacqueline Dorfmann, GRI, CRB
Board Member
Broker Member*



*Alton Duncanson
Board Member
Salesperson Member*



*Kenneth D. Smith
Board Member
Property Manager Member*

Legal Board Actions

Disciplinary Actions

Melvin Pitt. By consent order, the DC Board of Real Estate imposed a fine of \$2,500 for violation of DC official code section 47-2853.173 for operating as a real estate salesperson when unlicensed.

Thomas Faison. By consent order, the board imposed a fine of \$2,500 for violation of DC official code section 47-2853.173 for operating as a real estate salesperson when unlicensed.

Charles Bengel. By consent order, the board imposed a fine of \$2,500 for aiding and abetting the unlicensed activities of a salesperson in violation of DC official code section 47-2853.198(38).

Remax Capital Realtors, Inc. t/a ReMax 100 Allegiance. By consent order, the board imposed a fine of \$2,500 for violation of DC official code section 2853.198(38) for aiding and abetting the unlicensed activities of a salesperson.

Wyvill Management, Inc. (Wyvill Management) t/a Re/Max 100 Real Estate. By consent order, the board imposed a fine of \$2,500 for violation of DC official code section 47-2853.198(38) for aiding and abetting the unlicensed activities of a salesperson.

Wayne Wyvill. By consent order, the board imposed a fine of \$2,500 for violation of DC official code section 47-2853.198(38) for aiding and abetting the unlicensed activities of a salesperson.

Charles M. Martin. By consent order, the board imposed a fine of \$2,500 for violation of DC official code section 47-2853.173 for operating as a real estate salesperson when unlicensed.

Sheila Mooney. By consent order, respondent agreed to pay a \$2,500 fine, without an admission of liability. Respondent was alleged to have

committed the following violations: (1) failure to deposit monies within seven days in an account in an insured financial institution in the District of Columbia, in violation of DC official code section 42-1704(a)(10)(2001); 2) failure to account for or remit money, valuable document or other property coming into her possession which belonged to others, in a reasonable time, in violation of DC official code section 47-2853.197(10) (2001); and 3) failure to exercise ordinary care as a real estate broker on behalf of the buyers, in violation of DC official code section 47-2853.192(d)(4) (2001).

Marisa L. Bronfman. By consent order, respondent agreed to pay a fine in the amount of \$2,500 with the stipulation of release from any charges without admission of liability. The following charges were served on the respondent: 1) failure to deposit monies within seven days in an account in an insured financial institution in the District of Columbia, in violation of DC official code section 42-1704(a)(10) (2001); 2) failure to account for or remit any money, valuable document or other property coming into her possession, which belonged to others in a reasonable time, in violation of DC official code section 47-2853.197(10) (2001); and 3) failure to exercise ordinary care as a real estate broker on behalf of buyers, in violation of DC official code section 47-2853.192(d)(4) (2001).

Louis Patrick Chauvin. By consent order, respondent Chauvin agreed to pay a \$500 fine. Respondent consented without admitting and specifically denying, liability. Respondent was alleged to have made substantial misrepresentations regarding an earnest money deposit delivered to the seller's agent, in violation of DC official code section 47-2853.197(1) (2001). □

Former Board Member Mourned



Donald C. King

The DC Board of Real Estate mourns the passing of former Board Member Donald C. King. He was 82 years old when on June 11, 2004, he was called from this earthly labor to his heavenly reward.

Mr. King was appointed to the board by Mayor Anthony Williams and was dedicated in his service for several years, serving on the board's budget and legal committees prior to taking ill. Don, as he was affectionately called, for many years lived in downtown Washington, DC, at the Massachusetts House.

Don also worked as a real estate associate for Pardoe, specializing in commercial and residential sales, and restoration. His successes include being the chief executive officer of the *Town Theater Group* in the District of Columbia and Virginia where he supervised the operation, construction, and restorations of the project. He co-owned the *King and Sandy Theatre*. Throughout his life he remained active in the community and believed in a strong and personal work ethic. With no family, Mr. King was assisted primarily by his dear friend and former Board Chairman H.R. Crawford, who graciously handled his affairs prior to and upon his death.

Mr. King, an avid lover of the dramatical arts, and a community activist, was born in Bedford, Massachusetts. He was a member of the Jordan Lodge of the Most Worshipful Grand Lodge Freewill Masons. Don is survived by the love of his many friends who will continue to honor his selfless contributions to life.

Education, License Renewal Q & A Update

Q Someone told me I had to take 18 hours to renew my DC real estate license. Is that true?

For the 2003-2005 cycle, licensees must complete 15 credit hours of approved continuing education - 9 hours mandated topics and 6 general elective courses.



Q When is the education due for license renewal?

Brokers and property manager licensees must complete the education by February 28, 2005, and salespersons by August 31, 2005.



Q How can I check to see what courses I took for the current licensing cycle?

All providers (schools) of continuing education must record attendance rosters via the Internet. With the Internet system, continuing education courses are updated in real-time on a licensee's record, which can be viewed online. Visit Promissor: http://www.asisvcs.com/services/cetranscript_fs.asp?as_prog_state=CE09DC&CPCat=0909RE



Q What if I took a course and it's not recorded on my licensee transcript?

Hold on to your hard copy attendance certificate. Then contact the school where you took the course and ask about the EZ bank status of the course. Take all your CE courses at least 90 days before the end of the licensing cycle to ensure that your courses are recorded on your transcript and on your renewal notice.



Q Will my DC renewal notice show all the CE credits I took during the licensing cycle?

If the approved provider where you took the course properly submitted their school rosters online through the CE system, then the courses you took will be credited properly on your renewal notice. The renewal notice will indicate the number of hours that have been credited toward meeting the CE compliance. Make sure you take your courses at least 90 days before the end of the licensing cycle so the credit hours will appear on your renewal notice.



Q Can I duplicate courses in the same licensing cycle?

If a course is duplicated during a compliance period, credit from that course will only be awarded once towards your CE requirements.



Q Can I carry over course credits to the next cycle if I take over 15 required hours?

No. Excess credit hours accumulated during any cycle cannot be carried forward to the next cycle. CE credit will only be awarded once during a compliance period.



Q What do I need to reinstate my license? It expired in 1995.

If your license expired prior to April 20, 1999, then you cannot reinstate it--you must re-take the examination. Depending on when you first received your DC license, you may have to take a prelicensing course, **and** the exam.



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Education, License Renewal Q & A Update (continued)

Q How do I make sure I am taking courses by a school approved by the DC Board? Is the approved CE list on-line?

Yes, the approved CE list is online. Visit http://www.asisvce.com/services/ce/cehome.asp?as_progr_state=CE09DC&CPCat0909RE



Q What are the CE requirements for the current 2003-2005 licensing cycle?

Licensees are required to take: DC Fair Housing and Predatory Lending; DC Legislative Update, Rent Control and Landlord-Tenant Housing Rights; and Environmental Issues (Radon, Asbestos, Lead-Based Paint, and Mold); and 6 hours of electives, all totaling 15 clock hours.



Q I just got my license this year. Do I need to take continuing education courses to renew my license in the first cycle?

If you get your DC real estate license *between* March 1, 2003 to February 28, 2005 (brokers and property managers), or September 1, 2003 to August 31, 2005 (salespersons), then you will renew your license without having to take CEs.



Q What happens if I take a course from a school that's not approved by the Board?

Courses and schools not approved by the board will not be recognized under any circumstances. You will have to re-take the course at a school approved by the DC board.




Q How do I report a school that is not offering me the full course that I paid for? Can I complain anonymously?

The DC board has approved each course in seminar, or lecture-style. At present, no provider can offer correspondence or distance learning courses. Licensees are encouraged to submit written complaints if a school hands out "self-study reading materials" in place of a seminar. Anonymous complaints are not encouraged, but will be accepted.



Q Where do I submit my complaint?

Submit a written complaint for investigation to DC Board of Real Estate, ATTN: Education Specialist, 941 N. Capitol Street, NE, Suite 7200, Washington, DC 20002; fax: (202) 442-4528, or email: schanolia.barnes@dc.gov 



Board of Real Estate
Government of the District of Columbia
Department of Consumer and Regulatory Affairs
941 North Capitol Street, NE, Room 7200
Washington, DC 20002